

26.02.2026
Piya
ct no. 5
sl. 15

**In The High Court At Calcutta
CIRCUIT BENCH AT JALPAIGURI**

APPELLATE SIDE

WPA 560 of 2021

**D and L Rice Mill & Anr.
Vs.
West Bengal Financial Corporation & Ors.**

Mr. Suman Sehanabis
Mr. Salok Sah
Ms. Anwesha Chakraborty
.....for the Petitioner

Mr. Milindo Paul
Mr. Nabankur Paul
Ms. Sutapa Sen Paul
Mr. Subham Das
Ms. Bedashruti Bose
Mr. Bodhisatya Ghosh

.....for the Respondent Nos. 1-3

Mr. Kumaljit Bhattacharjee
Mr. Alok Sah
Ms. Rajashree Mukherjee
..... for the Respondent No. 4

1. The writ application has been preferred praying for refund of the excess amount lying to the credit of the petitioner's loan account.

2. On hearing the learned counsels for the parties and on perusal of the materials on record, it appears that the respondents herein in their affidavit-in-opposition have categorically stated as follows:-

"h. That as per the Natural Justice letter vide ref. no. SLG/BRN/DLRM/150-157 dated

24.07.2019 issued by the respondent no. 1 to the Petitioner no. 1 herein i.e. D & L Rice Mill, the Respondent no. 1 demanded a sum of Rs. 175,62,536.95/- as on 23.07.2019 along with interest was charged upto 30.06.2019. Thereafter a sum of Rs.9,46,743.03/- as interest for September-2019 quarter (calculated from 01.07.2019 till 30.09.2019) and a sum of Rs.36,798.25/- for Other charges including security guard bill, MSTS service charge for auction, lawyers service charge and etc was charged i.e. total for an amount of Rs. 1,85,46,078.23/- was due and payable. After sale proceedings an amount of Rs. 1,88,00,000/- was recovered and presently Rs.2,53,921.77/- will be refundable from the part of the Respondent No. 1.”

3. The petitioner counters the said statement of the respondents and submits that through the auction, the respondent Financial Corporation has received an amount of Rs. 1,88,00,000.00 whereas the loan liability of the petitioners was Rs. 1,75,62,536.95.

4. The petitioner thus submits that the petitioner is entitled to the said difference in amount (excess) and that the respondent cannot impose any cost, interest, charges, MSTS service charge for auction etc. as claimed.

5. Learned counsel for the respondent has also relied upon Section 29(4) of the State Financial Corporations Act, 1951 which is as follows:-

“Section 29. (4) *[Where any action has been taken against an industrial concern]*

*under the provisions of sub-section (1), all costs, [charges and expenses which in the opinion of the Financial Corporation have been properly incurred] by it [as incidental thereto] shall be recoverable from the industrial concern and the money which is received by it *** shall, in the absence of any contract to the contrary, be held by it in trust to be applied firstly, in payment of such costs, charges and expenses and, secondly, in discharge of the debt due to the Financial Corporation, and the residue of the money so received shall be paid to the person entitled thereto.]”*

6. It is the case of the respondent that as per the said provisions they are entitled to recover the costs, charges, and expenses as per the provision of law.

7. Accordingly, in view of the said provision of the act, the petitioner is entitled to the amount as stated by the respondent herein in their affidavit-in-opposition, which they shall transfer to the petitioner herein within 15 days from the date of this order, towards the claim of the petitioners herein.

8. Thus, this Court finds no merit in the claim of the petitioner herein.

9. The Writ petition is dismissed.

10. All connected application, if any, stands disposed of.

11. Interim order, if any, stands vacated.

12. Urgent Photostat certified copy of this order, if applied for, be supplied to the parties, expeditiously after complying with all necessary legal formalities.

(Shampa Dutt (Paul), J.)